

Minutes of the 189<sup>th</sup> meeting of the Directors of the Company duly convened via MSTeams on 26 May 2023.

**Present:**

Dame Teresa Graham DBE (TG) – Chair  
Michael Stark (MS)  
Tracy Vegro OBE (TV)  
Annie Shepperd MBE (AS) – Accounting Officer  
and Chief Executive  
Helen Powell (HP) – Director of Finance and  
Resources

**Attending:**

Ian Rodger (IR) – Director of Programmes (for  
Item 5)  
Paul Smyth (PS) – Director of Strategy and  
Technical Services (for Item 7.1)  
Tessa Clayton (TC) – Head of Internal Audit (for  
Item 7.1 )  
Paul Chambers (PC) – Department of Energy  
Security and Net Zero (DESNZ) Observer  
Julie Ellis (JE) – Governance Manager (minutes)

**QUORUM**

A quorum being present, TG declared the meeting open.

**1. APOLOGIES**

There were no apologies.

**2. MINUTES AND UPDATE ON ACTION ITEMS**

The Board agreed the minutes of the meeting of 28 April 2023 as a correct record.

Action Items 2 on a Remuneration Committee meeting in advance of the Pay Remit submission is adjourned and 3 on the outcome of the executive risk management session will be considered by the Audit, Risk and Assurance Committee at its June meeting.

All other action items were dealt with in this agenda.

**3. CHIEF EXECUTIVE'S REPORT**

The Board noted the following points arising from the Chief Executive's Report:

The Board agreed to receive a presentation on our delivery partner contract in respect of the Social Housing Decarbonisation Fund and Home Upgrade Schemes. The initial contract with the consortium led by PwC is for nine months and any decision to extend or reprocure will lie with the Board in consultation with DESNZ.

A report on the proposed apprenticeship scheme is in progress. Salix is preparing job and person specifications for the post of apprenticeship manager.

The Board noted that work has commenced on the triennial review of the Framework Agreement and arrangements governing the relationship between Salix and its sponsoring department. The Cabinet Office has amended its proforma agreement in the light of observations from the National Audit Office and Public Accounts Committee to standardise arrangements between government departments and Non-Departmental Public Bodies (NDPBs). An initial comparison of our current arrangements with the

proforma has been conducted. While there is no fixed deadline for completion, the Board would be keen to complete the exercise before the new Board Chair and Chief Executive take up post. Salix will expect to retain its recently agreed disputes resolution procedures.

It was proposed that the Board meeting of 25 July take place in our Manchester office. This would give the Board the opportunity to meet Ben Rimmington, Director General for Net Zero Buildings and Industry at DESNZ, who is based at DESNZ's Salford office.

**Action** - JE to arrange July Board meeting.

#### **4. RISK REGISTERS**

The Board noted the Corporate (CRR) and Delivery Risk Registers.

The Board were pleased to note the continuing improvement to the registers.

#### **5. SCHEME PERFORMANCE**

The Board noted papers on the i) Public Sector Decarbonisation Schemes (PSDS) and Low Carbon Skills Fund (LCSF); ii) Grant Schemes Audit and iii) Loans Schemes.

The Board noted that headline figures were included in the PSDS and LCSF report, making it easier to assess carbon reduction savings and progress made in terms of energy efficiency.

A joint Salix-DESNZ communications paper will be produced for the June Board meeting. Work has commenced on Phase 1 evaluation reporting which will be ready in 2024. The outcomes can be fed into future phases of PSDS to improve delivery and efficiency going forwards.

The Board noted the update paper on Grant Schemes Audit and asked that the Head of Internal Audit be thanked for its clarity.

Regarding the loan schemes, the Board noted that the winding-down of the recycling fund, which closes at on 31 Mar 2025 is posing some challenges as only two-thirds of forecasts have been received. This is likely to be due to the reluctance of clients to commit funds and their considering the option to terminate the fund and start repayments.

#### **6. OPERATIONAL PERFORMANCE**

The Board noted the Operational Performance, Administration Costs Summary and Finance KPIs for the period ended 30 April 2023.

The Board noted that the reports' contents were limited given that this was the first month of the financial year and Salix was still waiting formal approval/confirmation of all administrative costs. DESNZ reported that it was awaiting its own financial delegations.

A cash balance relating to repayments from loans to schools made from funding provided to Salix 2013-14 specifically for schools is being ringfenced pending discussion between DfE and DESNZ about ownership of the funds.

The Board noted the new Treasury KPIs SAL4 and SAL8.

#### **7. AOB**

##### **[7.1 CONFIDENTIAL ITEM]**

## **7.2 SOCIAL HOUSING DECARBONISATION FUND (SDHF)/HOUSING UPGRADE SCHEME (HUG)**

The Board noted the paper that the contract with our delivery partner has been concluded, taking effect from 15 May, and we are now in their mobilisation phase. Board members expressed some disappointment at the relatively low profile of the press release announcing Salix's role in the schemes.

**Action** - A "handover" paper be produced by the Interim Director of Delivery Agent, Housing before he hands over responsibilities to the new permanent Director of Housing at the end of July.

## **7.3 ARM'S LENGTH BODY REVIEW UPDATE**

The Board noted a paper on the ALB Review that Salix is undergoing. Following the self-assessment stage of the review, Salix is working on implementing initial recommendations made. The Board asked that future updates focus on significant developments; there had been none to report on this occasion.

AS, PC and RV had met to discuss a timetable and Terms of Reference for compliance with the full-scale review that Salix will be required to undertake, which would be agreed before the end of this calendar year. The review itself will start in the New Year.

## **7.4 ANNUAL BUSINESS PLAN**

The Board were pleased to note that following the recommendations it had made at the April Board meeting, the revised version of the annual business plan for publication was much more targeted and succinct.

The Executive Team were asked to enhance the people section before MS would conduct a final edit on behalf of the Board. This would then be submitted to DESNZ, though DESNZ indicated that its primary concern was the longer, not-for-publication form of the document.

## **7.5 EXIT INTERVIEWS**

The Board noted an analysis of exit interviews and welcomed the report as comprehensive. The challenges in retaining highly qualified and trained staff in respect of public sector schemes were noted and the current job evaluation exercise will seek to address these issues where possible.

There have been further resignations at programme manager level. At a time of increasing living costs, it is difficult for Salix to compete with the benefits on offer to staff from the private sector.

## **7.6 AOB**

The following items of AOB from DESNZ were noted:

- A submission was made in April to the minister in respect of PSDS Phase 4, scheduled to launch in two years' time. It would be useful for a policy paper to be presented to the Board when the shape of the scheme is clearer. DESNZ will work with Salix to incorporate lessons learned from previous phases, and new policy initiatives can be explored, such as the potential use of private capital investment and blended grant and loan financing.
- An application for the Phase 3c budget will be made this autumn. The Energy Efficiency Taskforce as part of the Government's wider energy efficiency strategy will report next month and decisions in respect of awards made will be considered at the highest level.

## DATE OF THE NEXT BOARD MEETING

The next scheduled meeting of the Board is on Thursday 29 June 2023.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

### Summary of Actions:

**ACTION 1:** When the Pay Remit submission is ready, the Remuneration Committee are to meet a few days before the Board meeting to consider it.

**ACTION 2:** A joint Salix-DESNZ paper to promote Communications in respect of PSDS to be presented at the June Board meeting.

**ACTION 3:** JE to arrange July Board meeting to be held in our Manchester Office.

**ACTION 4:** A “handover” paper be produced by our Interim Director, Delivery Agent, Housing before he hands over responsibilities to the new permanent Director of Housing at the end of July.